

BACKGROUND NOTE:

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GREENLAND AND THE E.C. WILL MAINTAIN CLOSE TIES AFTER GREENLAND'S WITHDRAWAL

The European Community and Greenland next year will embark on a new relationship. The vast, sparsely populated island that joined the Community as part of Denmark in 1973 plans to leave the E.C. on January 1, 1985.

It will, however, maintain close economic ties to the Community under a treaty that is scheduled to be signed March 13 in Brussels by representatives of the governments of the 10 E.C. member states.

The E.C. Council of Ministers, in consultation with Greenland authorities, last month approved a plan for Greenland's future relationship with the Community that contains these elements:

Overseas Countries and Territories (O.C.T.) Status.

Greenland will join a group of dependencies of E.C. member states whose goods are given preferential access to Community markets, reflecting the E.C.'s emphasis on aiding Third World development. The O.C.T.s include, for example, the British Virgin Islands, Guadeloupe and the Netherlands Antilles.

Fisheries Agreement. The Community will have guaranteed access to Greenland's waters for 10 years - and for an additional six years if neither party objects. Greenland's fishing products will be exempt from E.C. customs duties.

Fisheries Quotas. The Community will be able to catch specified quotas of fish in Greenland's waters for an initial, renewable period of five years. In exchange, the Community will pay Greenland 26.5 million European Currency Units* (ECU) each year. Quotas were set for cod, redfish, Greenland halibut, halibut, shrimp and catfish.

*ECU = \$.87 on March 2, 1984

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Greenland, with a population of 50,000 - mostly Eskimos - covers half of the E.C.'s territory. Its main activity is fishing, which employs 25 percent of the population; in 1980, Greenlanders caught 90,000 tons of fish. The Community presently takes about 80 percent of Greenland's fishing exports.

The Greenland government expressed its wish to leave the Community after it won semi-autonomy under Denmark's Home Rule Act in 1979. Greenland now has authority over fisheries, taxation, religious matters, education, cultural and environmental affairs, while Copenhagen retains responsibility for international relations, defense and currency matters. Denmark is required under the act to protect Greenland's interests in the E.C.

In a 1981 statement, the Greenland government (Landsstyre) explained that the island wanted to leave the Community to "preserve its identity" and maintain local control over its fishing trade. It added that it wished to remain closely associated with Denmark and Europe, however, and requested O.C.T. status.

The Landsstyre's position was supported by Greenland's citizens in a consultative referendum in February 1982, with 52 percent voting in favor of leaving the E.C.

The Commission of the European Communities expressed regret when Denmark presented the proposal for Greenland's withdrawal, noting in a 1983 opinion that the Community had provided significant amounts of financial assistance to Greenland and made a "genuine and realistic effort to display solidarity" with the region. But the Commission said it welcomed the fact that Greenland wanted to maintain "close permanent structural links" with the E.C.

After the treaty governing Greenland's future relationship with the Community is signed in Brussels, it must be ratified by parliaments of the E.C. member states.
